Program Executive Office
Command, Control, Communications,
Computers and Intelligence (PEO C4I)

CANES Full Deployment (FD) Contracting Strategy Overview

13 December 2012

Statement A: Approved for public release; distribution is unlimited

Disclaimer

This presentation is issued solely for information and planning purposes. It does not constitute a request for proposal (RFP), or a promise to issue an RFP in the future. This presentation does not commit the Government to contract for any supply or service. The Navy is not at this time seeking proposals and will not accept unsolicited proposals. All information in this presentation is subject to change, and should not be relied upon if and when a RFP is issued. If a RFP is issued, it will be synopsized on the Federal Business Opportunities (FedBizOpps) website at http://www.fbo.gov and the SPAWAR E-Commerce Central website at https://e-commerce.spawar.navy.mil. It is the responsibility of potential offerors to monitor these websites for additional information pertaining to this requirement.

Administration

Purpose

- This brief is intended to inform industry on CANES capabilities, Full Deployment (FD) acquisition and contracting approach and long range strategy for future planning purposes.

- PMW 160 does not intend to conduct an Industry Day for the CANES FD solicitation. This brief, and future Draft RFP release, is provided in lieu of a CANES FD Industry Day.

- One-on-One meetings with potential offerors on the CANES FD contracting strategy will not be entertained prior to contract award.

- Questions and comments regarding this brief are not requested at this time. Instructions for submittal of questions and comments will be provided with the Draft RFP.

CANES FD Timeline

- CANES FD Planning Documentation:
  - CANES FD Strategy Overview (this brief) (December 2012)
    - Overall CANES FD Approach and Strategy
    - Does not include detailed technical/baseline documentation
  - Draft RFP and Technical Baseline Documentation (estimated February 2013)
- Final CANES FD RFP: April 2013 (estimated)
- CANES FD Contract Award: December 2013 (estimated)

CANES Overview

CANES Overview

- CANES is the technical and infrastructure consolidation of existing legacy afloat networks and hosting of ~36 applications and systems to operate in the tactical environment
- Total Ownership Cost and Operational Relevance
  - Constant competition
  - Open architecture
  - Government owned data rights
  - Obsolescence and technology refresh
- Fielding
  - 192 total platforms inclusive of surface ships, submarines and Maritime Operation Centers ashore
  - 1st Install: Unit Level (DDG) – Dec 12; Force Level (CVN) – May 13
  - Full Deployment (FD): FY2020

Why CANES / Capabilities

Why CANES?

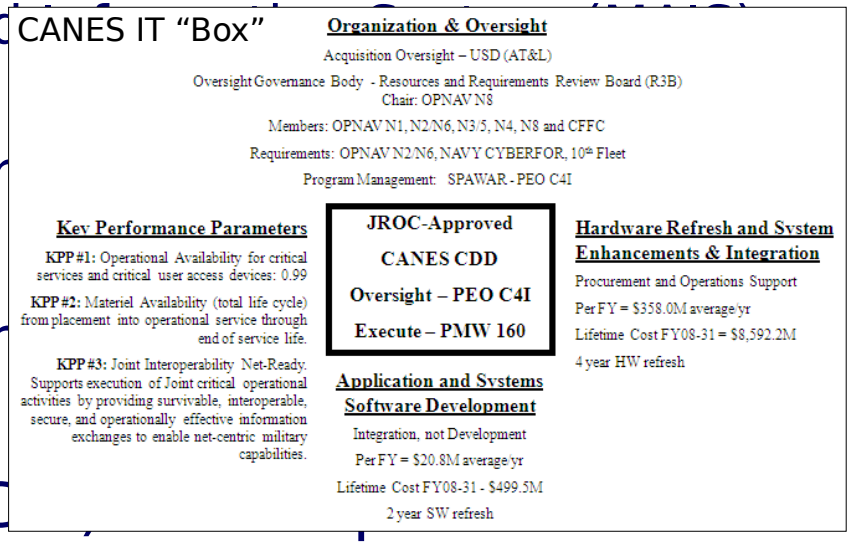
- **CANES is an IT execution strategy:**
  - Existing Legacy networks are unaffordable and operationally ineffective
  - Align multiple similar programs, capabilities, resources and requirements into a single program
  - Consolidates and focuses overall acquisition, engineering, logistics and security efforts
  - Reduces installations and sustainment costs across networks
  - Adds efficiency value to manpower challenges
  - Reduces overarching network maintenance
- **CANES directly addresses critical IA / CND requirement - provides more secure and reliable afloat network infrastructure**

Capabilities

- **Systems Management**
  - Performance, Availability, & Service Level Mgmt
  - Fault, Problem, Incident, & Service Desk Mgmt
  - Configuration, Change, & Release Mgmt
  - Security Mgmt, IA, CND
  - Capacity Mgmt
- **Data Services**
  - Network Support
  - Information Management
  - Core Infrastructure Services
  - Network Access (IPv4/IPv6 Capable)
  - Information Delivery
- **Voice Services**
  - IP Telephony
  - Mobile and Stationary
  - Secure and Un-Secure
- **Video Services**
  - Video Teleconferencing
  - Video/Graphics Distribution

The CANES Program

- Milestone Decision Authority (MDA) is USD (AT&L)
- MDA approved CANES as a developmental effort in 12 Dec 2008 Material Development Decision (MDD) ADM
- JROC Approved CDD on 18 Feb 2009
- Acquisition Category (ACAT) IAM, IT "Box" Program
  - Designated a Major Automated [illegible] on 29 Mar 2010
- Program initiation at Milestor[illegible] 10 Jan 2011
- Pending Milestone C Decisior[illegible] 2012
- Full Deployment Decision (FD[illegible] 2013


CANES IT "Box"
Organization & Oversight
Acquisition Oversight – USD (AT&L)
Oversight Governance Body - Resources and Requirements Review Board (R3B)
Chair: OPNAV N8
Members: OPNAV N1, N2/N6, N3/5, N4, N8 and CFFC
Requirements: OPNAV N2/N6, NAVY CYBERFOR, 10th Fleet
Program Management: SPAWAR - PEO C4I
Key Performance Parameters
KPP #1: Operational Availability for critical services and critical user access devices: 0.99
KPP #2: Materiel Availability (total life cycle) from placement into operational service through end of service life.
KPP #3: Joint Interoperability Net-Ready. Supports execution of Joint critical operational activities by providing survivable, interoperable, secure, and operationally effective information exchanges to enable net-centric military capabilities.
JROC-Approved
CANES CDD
Oversight – PEO C4I
Execute – PMW 160
Application and Systems Software Development
Integration, not Development
Per FY = $20.8M average/yr
Lifetime Cost FY08-31 - $499.5M
2 year SW refresh
Hardware Refresh and System Enhancements & Integration
Procurement and Operations Support
Per FY = $358.0M average/yr
Lifetime Cost FY08-31 = $8,592.2M
4 year HW refresh

CANES Acquisition Strategy

- CANES strategy maximizes competition throughout program's lifecycle
  - Competitive procurement for Engineering & Manufacturing Development (EMD)
  - Down-select for Limited Deployment (LD)
  - Separate Full & Open competition for Full Deployment (FD) Production Units
- CANES specifications promote further competition
  - Vendor neutral specification "commoditizes" major COTS components
  - Leads to comparable costs enabling teams to select the best product for the system
  - Open, modular and scalable design

CANES strategy objectives:
(1) maintain schedule, (2) manage cost, (3) control baseline configurations, (4) maximize competition, and (5) ensure flexibility throughout

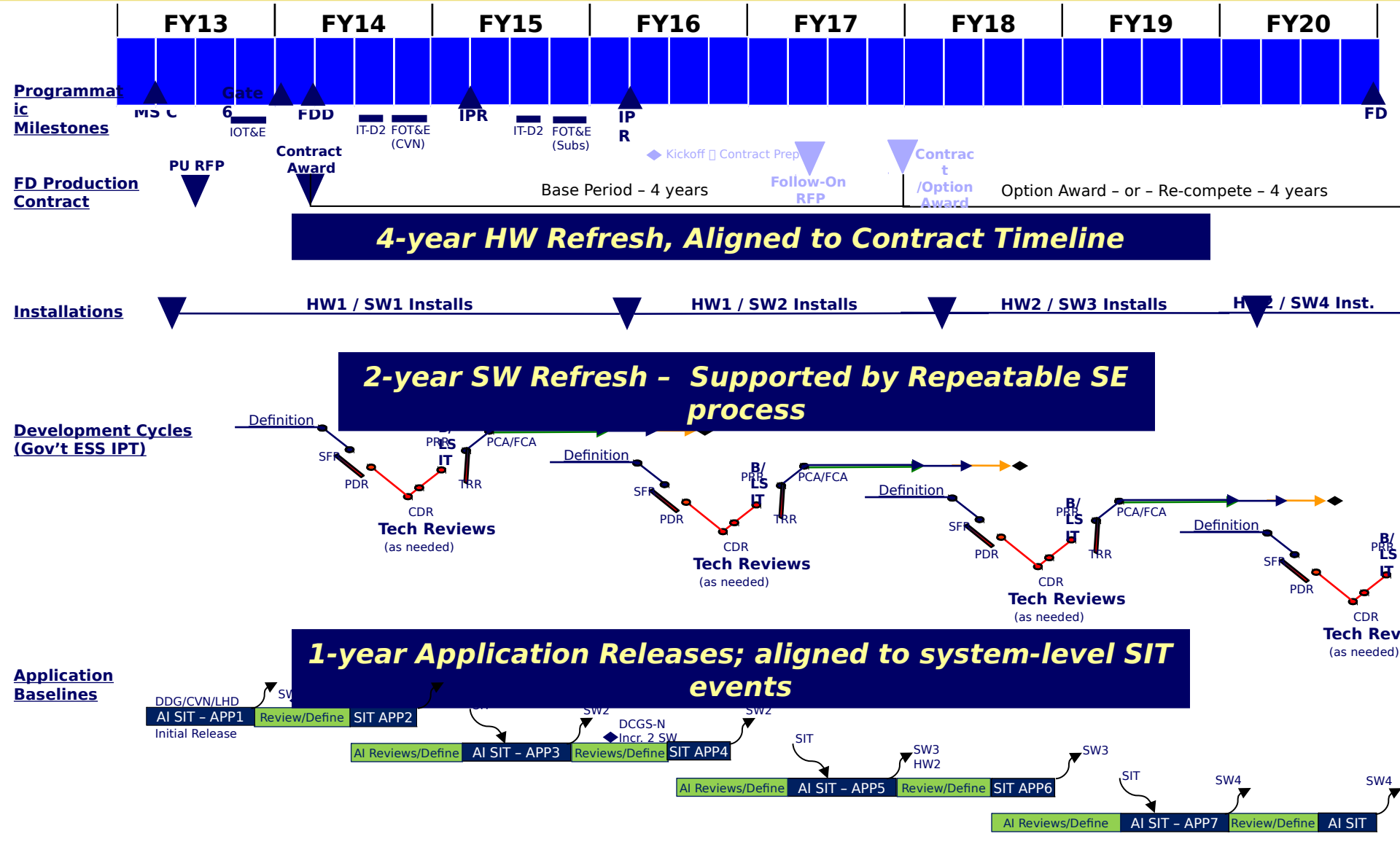
CANES FD Contracting Strategy

- Full and open Indefinite Delivery Indefinite Quantity (IDIQ) Multiple Award Contract (MAC) for Firm Fixed Price (FFP) production units
  - FD Production Unit contract award planned for Q1FY14 to prevent gaps in production / fielding
- Engineering Support Services to update existing CANES baselines and support requirements for new CANES platforms will be conducted by the Government
- Installations by one-of-four current contractors under the existing SPAWAR Global Installation Contract (GIC)

CANES FD Production Multiple Award Contract (MAC)

- MAC IDIQ
  - FFP “Build-to-Print” Production of CANES systems/sub-assemblies
  - Product substitutions allowed with Gov’t concurrence through the ECR process
    - Must satisfy Form/Fit/Function and key characteristic criteria
  - Additional CLINS for Spares/Component procurement, Analysis/Assessment, and ODCs
- Period of Performance: 8 years. (4 year base / 4 year option)
  - Aligned to HW build cycle (see Integrated Schedule)
- No. of Awardees: up to 3
  - Goal: Sustain ongoing competition across all CANES Delivery Orders (DOs)
- Evaluation Criteria
  - Contract: Best Value – Production task includes a single DDG build for each MAC awardee
  - Delivery Orders (DOs): Expected Low Price, Technically Acceptable (LPTA)
- Small Business (SB)
  - CANES FD Production MAC IDIQ will be competed under full and open competition
  - SB Subcontracting Goal: 36.7% of subcontracted effort (OSBP and SBA FY13 Target)
    - Further breakdown of WOSB, SDB (5%) and HubZone, VOSB, SDVOSB (3%)
    - Potential SB Subcontracted Roles: Supplier, Major End Item Build/Assembly, SW Loading

CANES FD Integrated Schedule



CANES Target Inventory Objective

Planned for all Navy Afloat Platforms

Carrier (CVN)
Force Level

Destroyer (DDG)
Group Level

Maritime Operations
Center (MOC) Shore

Landing Platform
Dock (LPD-17)

Landing Ship
(LSD)
Unit Level

Cruiser (CG)
Group Level

Submarine Classes
(SSN, SSGN, SSBN)

Amphibious
Assault (LHD)
Force Level

CANES Current Target Inventory Objective: 192 platforms

Current CANES Procurement Schedule

(Subject to iterative change based on Appropriation and Availability Schedule changes)

Procurement (Program Funded) **Fielding Plan version 3.2, 18 Sept 2012**

Class	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
CG		3	2	2	2	1	1	3	1	15
CVN	2	1	3	1	1					8
DDG	6	16	11	7	11	6	4	4		65
LCC				2						2
LHA					1					1
LHD		4	2	1	1					8
LPD					3	1	1	4	2	11
LSD		1	3	2	1		2	1		10
MOC						1	2	3		6
Seawolf				1	1	1				3
Los Angeles			7	9	1	7	5			29
Virginia				3	1	3	3	2		12
SSBN			3	5	1	2	3			14
SSGN						2	2			4
TTE		1	2	1						4
Total	**8**	**26**	**33**	**34**	**24**	**24**	**23**	**17**	**3**	**192**

- FY12/13 Procurements, part of CANES Limited Deployment (LD), will be ordered on the current CANES (EMD) Contract.
- FY14 will mark the first procurements under the CANES FD Contract; cutover will depend on award date of FD Contract
- Platforms installed with earlier versions of CANES will begin upgrade about 8 years after initial install

Quantities are based on Current CANES inventory threshold
(does not include potential future, small footprint platforms – MCM/PC, MSC variants, others)

Execution Strategy

CANES FD Roles/Responsibilities

- Production Contractor(s)
  - Primary: Manufactures and delivers production units IAW CANES Production Baseline (PBL), including Technical Data Package (TDP) and BOM, and DO-designated delivery milestones
  - Other: Provides engineering assessment/analysis as tasked on individual Task Orders; delivers spares and components as tasked
- SPAWAR – Contracting Activity
- CANES Program Office (PEO C4I, PMW 160)
  - Acquisition activity, and Technical Design Agent (TDA)
  - Manages all systems engineering, production, installation, and logistics activities
- Government Network Engineering IPT (Engineering Support Services)
  - Lead production design activity and Critical Design Agent (CDA)
  - Supports program office with Configuration Management of all baselines
  - Executes all engineering activities associated with research, design, integration and testing of CANES platform baselines
  - Provides life cycle support of fielded CANES systems (e.g. ISEAs, Software Support Acty.)
- Government Production Staging Facilities (part of Government IPT)
  - Receipt of all produced CANES systems
  - Application pre-loading, final Operating Environment software loading (as

CANES FD Production MAC Contracting Strategy

- CANES FD RFP will be released with an attached DO to produce a single DDG CANES unit
  - Technical and Price proposals will reference the DDG production task
  - RFP Evaluation Factors (Best Value):
    1. DDG DO Execution Plan
       - Assessment of IMS, Risks, Manufacturing Plan, Testing
       - Assessment of offeror's approach for producing CANES units
    2. Production Capability, Capacity and Processes
       - Assessment of Inventory/Supply Chain Mgmt, Production, CM/Change Mgmt, Capacity, Quality System
       - Assessment of offeror's ability to build multiple CANES concurrently
    3. Past Performance
       - Evaluation of quality of performance results on contracts similar efforts (current and relevant)
    4. Small Business Utilization and Commitment
    5. Brand Name or Equal (BNoE) (based on DDG DO BOM) – evaluates proposed product substitutions (if any)
    6. Price
- MAC Awardees (not Offerors) will be issued a DO for one DDG unit at the RFP-proposed price
  - Satisfies minimum quantity requirement
  - Levels playing field for future competition (built-in ramp up costs anticipated)

First DDG Production Delivery Order will be included in the RFP

CANES FD Considerations for Industry

- Capital (Sufficient start-up and sustainment capital)
  - Bid/Proposal (Initial Offer and DO)
- Capacity (Remaining viable in ‘least’ and ‘most’ case scenarios)
  - ‘Least Case’ Scenario: an awardee must remain viable if it cannot win enough DOs to sustain continuous production.
  - ‘Most Case’ Scenario: an awardee must be capable of meeting production and delivery demands if it wins multiple DOs, requiring simultaneous production of CANES platform buys with overlapping periods-of-performance
    - FY15-17 (HW1) average major platform buys: 45/yr, 3.75/mo
      - Includes estimates for potential small footprint platforms (MSC, MCM/PC, etc)
      - Includes 14-15 (avg) major/large platform systems in production at a given time (based on a 6 month production cycle)
    - FY18-21 (HW2/FOC): 18.5/yr (avg of 1.5 / month) average platform buys
- Complexity
  - 15-49 racks (Unit level-Force level) plus small footprints (< 10 racks)
  - Approx. 600 pages of HW and 300 pages of SW install and configuration instructions with 80 pages of systems management

Notional CANES FD MAC CLIN Structure

- FFP - CANES FD Production Units:
  - CANES units for Unit level, Force level, Submarine, and other platforms
  - Major sub-assemblies
  - EC's and Backfit kits (as appropriate)
  - Future variants of CANES
- FFP - CANES FD non-assembly spares and system components:
  - Leverages contractor established pricing
  - Flexibility to purchase OBRP, INCO and possibly Depot spares
  - Flexibility to support future PC/HW refresh
- Cost Reimbursable and Fixed price CLINs for CANES analysis/assessment:
  - Research, investigations, impact or feasibility studies
  - Provide afloat troubleshooting support (as appropriate)
- Other Direct Costs (ODCs)

CANES FD Management Requirements

- Post Award Conference
- General Meeting Requirements
  - Executive Program Review (EPR)
    - Notionally: Semi-Annual, at Production Facility or by VTC
    - Cost, Schedule, and Performance review of ongoing DO's
    - Risk Review
    - Review Issues and Discuss Future Builds/Opportunities
  - Post-Award Planning/Kickoff Meeting (Per DO)
    - Production Plan and IMS
  - Production IPT and TIMs (Per DO)
    - Notionally: Weekly by VTC
    - Discuss design impacts/issues that impact production/producibility
    - Discuss obsolescence, training, ILS issues/impacts to production and life cycle support
    - Provide feedback for Monthly Status Report
    - Verification of production configuration
- Associated Deliverables
  - CDRLs: Agenda, Minutes and Actions Items as required
  - Monthly Status Report

CANES FD Delivery Order Strategy

- Philosophy: Manage DOs to promote continued price competition while still meeting Ship availability schedule milestones
  - Goal: Maintain viable production contractors to ensure sustained competition
  - DOs will likely contain orders for 1-3 Force Level or 3-5 Unit Level production units of the same or similar platform type
    - Some platform builds may be placed on DO Option CLINs to allow greater flexibility and responsiveness to issues that could impact the CANES fielding plan
- Initial Delivery Order Timeline (Notional)
  - 2 Months preparation time and solicitation period
  - 6 months production per unit
    - Delivery rate: One unit every two weeks on each DO
  - 4 months for application integration at Government Production staging facility
    - Application software loading will initially be a Government function, but may migrate to industry over time
- DO phasing (Notional)
  - DO solicitations will be released no sooner than 10-12 months before CNO Availability start dates (based on earliest Avail. start among Ship grouping)
- DO awards expected to be based on Low Price / Technically Acceptable (LPTA)

Notional Delivery Order (DO) CDRLs

- Presentation Materials
- Meeting Minutes
- Conference Agenda
- Action Items
- Enterprise Change Request
- Contractor’s Progress, Status, and Management Report
- Integrated Master Schedule
- Production Plan
- Small Business Utilization Report
- Factory Acceptance Test Report
- Recommended Spares List
- Quality Assurance Plan
- Supply Chain Risk Management (SCRM) Plan
- Product Validation Report

Draft CDRLs will be posted with the Draft RFP (estimated Feb 2013)

CANES FD Production GFI (Notional)

- Production Baseline (PBL)
  - Technical Data Package (TDP)
  - Bill of Materials (BOM)
  - Installation Requirements Drawings (IRD)
  - Configuration Item Configuration Document (CICD)
  - Software Product Specification (SPS)
  - Software Version Description (SVD)
  - Factory Acceptance Test Plan

- CANES Enterprise Software (ES)
  - CANES baseline Operating Environment (OE) software
  - Afloat Core Services (ACS) Software

- As Required
  - Spares or Component Lists
  - Software Load Plan
  - Hosted Application and Connected Systems Implementation Manual (HACSIM)
  - CANES Functional Specification

CANES FD Software Loading

- The Government will provide Enterprise Software (ES) as GFI
  - ES = baseline Operating Environment (OE) and Afloat Core Services (ACS) software
  - ES loading will be a contractor function
    - Loading will occur IAW the SOW and PBL
    - FAT will test functionality
  - CANES FD contract will include provisions for contractor procurement of BOM ES as necessary
- Applications (Apps)
  - Application pre-loading occurs at Government staging facility (performed by the Government)
  - Final application loading occurs at SYD / on ship
  - Application loading, either in part of in full, may be included as tasking for Production contractors on future delivery orders

CANES FD Inspection & Acceptance

- DO awarded for one or more CANES units, components, spares
- Contractor manufactures production units
  - Loads Enterprise Software either procured from open sources or provided on Government ‘Gold Disc’ as GFI
    - Note: Certain enterprise software may be required to be procured under DoN Enterprise Software contracts
- Each unit will undergo Factory Acceptance Testing (FAT) IAW DO SOW requirements
  - Government representative may monitor FAT
- Contractors will deliver units to Government Production staging facility (e.g. NIEF, USF)
  - Government will conduct Independent validation/verification (IV&V) and pre-installation testing and check-out (PITCO)
  - Government will accept at Destination
    - Acceptance requirements will be designated at the DO level

CANES FD Product Substitutions

- The CANES BOM will contain Brand Name COTS products
- The RFP and DOs will contain a Brand Name or Equal (BNoE) evaluation factor
  - Government will define salient characteristics for BNoE criteria
  - Proposed substitutions must meet salient characteristics, not affect SWaP or Form, Fit, Function
- End of Life/Service (EOL/EOS) – Post Contract/DO Award
  - In the event that a product on the CANES BOM goes EOL/EOS, the contractor shall submit a routine priority, Stage 1 ECR to notify the Government.
    - No additional effort is required unless directed/funded.
  - Government Engineering IPT will perform any additional research, testing, and baseline updates (as necessary) and is responsible for working the ECR through the required process with ultimate approval occurring at the Government CCB
  - Government Engineering IPT updates relevant documentation and a new BOM is developed
- Non-EOL/EOS Proposed Product Substitutions – Post Contract/DO Award
  - In the event that a contractor proposes any other product substitution, the contractor must follow the Government ECR process and provide evidence the proposed product meets salient characteristics and not affect SWaP or Form, Fit, Function
  - Government makes decision as to whether the proposed substitution has merit, conducts additional research/testing (as necessary), works the ECR through the

Configuration Management decisions will be a Government function

Distribution D Documents

- The CANES FD Draft RFP release is expected to include documentation that will be marked as DoD Distribution D
  - Distribution D: Distribution authorized to DoD and U.S. DoD contractors only

- CANES FD Distribution D documents will be posted for download on a Public Key Infrastructure (PKI) secured Government website

- This secure website will require a DoD or External Certification Authority (ECA) PKI email certificate in order to access the posted documents

- Instructions for obtaining a PKI certificate for access to the CANES FD PKI secured websites will be posted on the SPAWAR E-Commerce Central website with the Draft RFP.

PKI Information

The following is a list of External Certification Authorities (ECA) that are recognized by the Government as issuers of PKI certificates:

* Operational Research Consultants, Inc. (ORC)
http://www.eca.orc.com
Email: pkihelp@orc.com
Phone: 800.816.5548

- VeriSign, Inc.
- http://www.verisign.com/authentication/government-authentication/index.html
- Email: eca-support@verisign.com
  Phone: 650.426.3224

* IdenTrust, Inc.
http://www.identrust.com/certificates/eca/index.html
Email: helpdesk@identrust.com
Phone: 888.882.1104

CANES FD Summary

- Draft CANES FD RFP – Estimated February 2013
- Final CANES FD RFP – Estimated April 2013
- CANES FD Contract Award – Estimated December 2013
- CANES FD Government Points of Contact:
  - Heather Mohlman, Contract Specialist, SPAWAR 2.1C9, heather.mohlman@navy.mil
  - Stephen Beckner, Contracting Officer, SPAWAR 2.1C1, stephen.beckner@navy.mil